

COURT UPHOLDS CONSTITUTIONALITY OF STEM CELL PROGRAM

Judge Sabraw Declares Proposition 71 Constitutional in Its Entirety

SAN FRANCISCO, CA – Today Alameda County Superior Court Judge Bonnie Lewman Sabraw delivered a ruling on *People's Advocate and National Tax Limitation Foundation v. Independent Citizens' Oversight Committee* (case # HG05206766) which found The Stem Cell Research and Cures Act (formerly known as Proposition 71) constitutional in its entirety.

Sabraw found that the California Institute for Regenerative Medicine was firmly under the management and control of the state stating:

The evidence at trial establishes that the application of the Act has been in compliance with its statutory framework, and that CIRM and the ICOC are operating in the same fashion as other state agencies. Each ICOC member, and each alternate, has taken the oath of office and publicly filed Form 700, the standard form California public officials file to disclose financial holdings. The ICOC developed and adopted incompatible activities statements, the conflict of interest code required by the Political Reform Act, and conflict of interest policies for ICOC members, CIRM staff, and members of each of the ICOC advisory groups. Between January 2005 and the date of the trial, the ICOC, its subcommittees, and its working groups held over 40 noticed, public meetings, in cities across the state, held pursuant to the Bagley-Keene Open Meeting Act. CIRM has responded to numerous Public Records Act requests. The selection of the site for the CIRM's facilities was run by the Department of General Services, as required of state agencies, which department also executed the lease. The required independent audit is in process and is to be reviewed by the Citizen's Financial Oversight Committee. In addition, testimony was presented that CIRM is subject to audit by the Controller and the Department of Finance, and that the Controller has met with the ICOC to discuss the type of practices he expected the ICOC to follow.

Judge Sabraw also found the agency accountable to the public, and that the agency has proceeded in that manner in carrying out its operations.

"Today is a victory for stem cell research. We are extremely pleased that Judge Sabraw upheld the constitutionality of the Stem Cell Research and Cures Act. I would like to thank the Attorney General's office and particularly Bill Lockyer for his leadership and Tamar Pachter for her commitment in their outstanding job representing the governing board of the CIRM," said Robert Klein, Chairman of the board.

"Given the strength of this court decision," Klein continued, "the opponents to Proposition 71 should demonstrate their respect for the voters of California who overwhelmingly approved this initiative, and patient families who suffer everyday with the advance of chronic disease by dropping their intent to appeal.

"We are encouraged by the strength of today's ruling. As of last week, California's stem cell agency, with the help of Governor Schwarzenegger, Treasurer Angelides, and Controller Westly, funded the agency's first 16 stem cell grants for 169 research fellows—funded by Bond Anticipation Notes generously purchased by private citizens of the state.

"CIRM's first grants equaled 50% of the entire national funding of the NIH for embryonic stem cell research for last year. Stem cell research in California has officially begun. We will win in this fight against a small and politically motivated minority, step by step. They will not keep medical

research from improving the lives of millions of people. We owe it to the voters, we owe it to patients, we owe it to the families of California.”

“This is an extraordinary step in advancing the CIRM to higher levels of funding, making the voters’ mandate a reality,” said ICOC member Dr. Edward W. Holmes, M.D., vice chancellor for Health Sciences and dean of the School of Medicine at the University of California,

“Judge Sabraw’s decision is an extraordinary affirmation for the citizens of California,” said ICOC member Phillip A. Pizzo, M.D., dean of the Stanford School of Medicine. “This will enable the stem cell agency to carry out critically important research in the most exciting area of biomedical research. We all believe in the years ahead that stem cell research will lead to transformative knowledge about how to repair the human body and restore health.”

“Those of us who have been involved with the CIRM and on the ICOC believe we will fulfill the mandate of Proposition 71 and our scientists will conduct the business of finding the next generation of therapies and cures for a variety of diseases. We look forward to the future with great optimism,” Gerald S. Levey, M.D., dean of the David Geffen School of Medicine at UCLA.

About CIRM

CIRM was established in 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Act. The institute is responsible for disbursing \$3 billion in State funds for stem cell research to California universities and research institutions over the next ten years and is overseen and governed by the Independent Citizens Oversight Committee (ICOC). For more information, please visit CIRM’s Web site at www.cirm.ca.gov.